

Message Text

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ACTION AGRE-00

INFO OCT-01 NEA-10 ISO-00 AID-31 EB-08 COME-00 TRSE-00

OPIC-03 IGA-02 OMB-01 L-03 /059 W

-----101954Z 126183 /43

R 101448Z FEB 77

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 1599

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DEPT PASS AID AND USDA/OGSM

EO 11652: NA

TAGS: EAID, ELTN, EWWT, EQUP, EG

SUBJ: PROPOSED AMENDMENT TO FY77 PL 480 TITLE I PROGRAM

REF (A) STATE 26085, (B) STATE 20693, (C) CAIRO 1779,

(D) CAIRO 38, (E) CAIRO 17778, (F) CAIRO 482,

1. IN ACCORDANCE WITH REF A, WE ARE CONTINUING WITH ARRANGEMENTS TO SIGN SUBJECT AMENDMENT ON BAIS COMMODITY COMPOSITION, QUANTITIES AND VALUE CONTAINED IN REF B. THIS MESSAGE WILL ATTEMPT RESPOND TO OTHER ISSUES RAISED IN REF A, SOME OF WHICH HAVE BEEN COVERED IN PRIOR MESSAGES, SOME OF WHICH WILL BE DEALTH WITH HEREIN, AND SOME OF WHICH WILL REQUIRE FURTHER INVESTIGATION.

2. WHILE HANDLING, STORAGE AND TRANSPORTATION CAPACITIES WERE FACTORS, MISSION RECOMMENDATION IN REF C FOR REDUCING QUANTITY OF WHEAT AND USING FUNDS TO INCREASE QUANTITIES OF FEED GRAINS AND TOBACCO WAS PRINCIPALLY BASED ON OUR ASSESSMENT OF GOE REQUIREMENTS, NOT PHYSICAL PROBLEMS. WE BELIEVE WHEAT/FLOUR IMPORTS IN NEIGHBORHOOD OF 4 MILLION TONS (WHEAT EQUIVALENT) COVER FY77 REQUIREMENTS AND ALLOW FOR DESIRABLE INCREASE IN MINSUPPLY STOCKS. IN CONTRAST, QUANTITIES

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OF FEED GRAINS AND TOBACCO IN AGREEMENT, INCLUDING SUBJECT AMENDMENT, ARE WELL BELOW MINIMUM IMPORT REQUIREMENTS OF GOE. HENCE OUR VIEW THAT INCREASES IN THESE COMMODITIES WOULD HAVE BEEN OF GREATER ASSISTANCE TO GOE THAN ADDITIONAL 400,000 TONS WHEAT. WHILE GOE WELCOMES INCLUSING OF 4,000 TONS DRY BEANS, THEIR ASSESSMENT OF IMPORT REQUIREMENT WAS 3,000 TONS.

3. WHILE BOTH ENTER COUNTRY THROUGH SAME PORT FACILTIES, WE DO NOT BELIEVE BULK WHEAT AND FEED GRAINS THEREAFTER FOLLOW DUPLICATE TRANSPORTATION, STORAGE AND HANDLING PATTERNS. WHEAT MOVES DIRECTLY TO FLOUR MILLS AND THENCE TO BAKERIES IN MAJOR CITIES WHILE FEED GRAINS GO TO FEED MILLS IN DIFFERENT LOCATIONS. WE WILL SEEK MORE SPECIFIC INFO THIS SUBJECT FROM GOE.

**4. FOLLOWING INFO IN RESPONSE TO ISSUES RAISED IN PARA 1B
REF A IN SAME ORDER AS THEREIN:**

(L) MISSION REPORTED INFO BELOW ON GOE PURCHASES OF WHEAT FOR FY77 IN REF D ON 1/3/77:

QUANTITY AND ORIGIN **DATE OF** **SHIPPING PERIOD**

CONTRACT

COMMERCIAL PURCHASES

WHEAT

1.25 MILLION MT 12/1/76 2/77-1/78 (930,000
FROM AUSTRALIA MT TO BE SHIPPED
BY 9/30/77)

500,000 MT FROM CANADA 12/15/76 1/77-10/77

250,000 MT ANY ORIGIN 10/1/76 10/76-1/77

WHEAT FLOUR

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100,000 MT FROM FRANCE	10/11/76	11/76-2/77
22,500 MT FROM ITALY	10/11/76	11/76-12/76
22,000 MT FROM EUROPE	10/11/76	11/76-12/76
200,000 MT FROM FRANCE	12/5/76	2/76-9/77

FOOD AID COMMITMENTS

WHEAT

35,000 MT FROM CANADA NOT PROVIDED 10/76-12/76

WHEAT FLOUR

21,600 MT FROM FRANCE 8/8/76 11/76
10,596 MT FROM ITALY 9/16/76 3/77

WE POINTED OUT IN REF D THAT ABOVE DOES NOT INCLUDE ONE MILLION TONS WHEAT/WHEAT FLOUR IN ORIGINAL FY77 AGREEMENT.

GOE TOLD US 2/9/77 ADDITIONAL 400,000 TONS WHEAT IN SUBJECT
AMENDMENT WILL BE SHIPPED 70,000 TONS EACH MONTH JUNE-OCT
AND 50,000 TONS NOV. PLEASE ADVISE IF DATA ABOVE SATISFIES
NEEDS OF WASHINGTON AGENCIES FOR WHEAT/WHEAT FLOUR SHIPP-
ING SCHEDULES. WE WILL REQUEST SIMILAR INFO ON FEED GRAINS
FROM GOE.

5. MISSION HAS ALREADY REPORTED ON PORT UNLOADING CAPAC-
ITIES OF ALEXANDRIA AND PORT SAID. REF E SENT 12/27/76
STATES IN PARA 5 QUOTE FOR OGSM/MAXWELL. AMCONSUL PORT SAID
ADVISES THAT 1,400 MT EACH CAN BE UNLOADED BY HAND FROM
UP TO FOUR SHIPS DAILY. IN ADDITION, UP TO 100 TONS PER DAY
PER SHIP CAN BE UNLOADED BY LIGHTERING. NUMBER OF SHIPS WHICH
CAN BE UNLOADED BY LATTER SYSTEM DEPENDS ON MANY FACTORS
AND WILL VARY. END QUOTE. REF F SENT 1/10/77 STATES QUOTE
PORT OF ALEXANDRIA CAN UNLOAD 5,000 MT BULK WHEAT PER DAY
AT THE GRAIN ELEVATOR PLUS 7,000 MT BAGGED WHEAT FLOUR, OR
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BULK WHEAT, OR COMBINATION OF BOTH, AT THE GRAIN QUAYS. END QTE

6. WE WILL ASK GOE FOR IDENTIFICATION OF INLAND STORAGE
FACILITIES AND TOTAL CAPACITY.

7. WE WILL ASK GOE FOR IDENTIFICATION OF MILLION FACILITIES.
MINSUPPLY TOLD US 2/9/77 THAT MILLING CAPACITY IS
10,000 MT PER DAY, STOCKS ON 2/1/77 WERE 661,000 TONS AND MONTHLY
CONSUMPTION RATE IS 290,000 TONS. THESE ESTIMATES APPLY ONLY
TO MINSUPPLY SYSTEM AND DISREGARD MOST DOMESTICALLY PRO-
DUCED WHEAT WHICH IS CONSUMED WHERE PRODUCED. MINSUPPLY
ACQUIRES ONLY ABOUT 200,000 TONS OF DOMESTIC PRODUCTION
ANNUALLY.

8. REGARDING REASSURANCE FROM GOE THAT TITLE I FOOD COMM-
ODITIES WILL CONTINUE TO RECEIVE PRIORITY BERTHING AND UN-
LOADING AT PORTS, AGATTACHE CAIRO REPORTED VIA TOFAS SERIES
ON 12/23/76 TO USDA AS FOLLOWS: QTE AGATTACHE WAS ASSURED BY
DR MIKAWI OF MARTRANS ON 12/23/76 THAT PL480 FOOD CARGOES
WILL CONTINUE TO RECEIV PRIORITY DISCHARGE IN PORT OF ALEX-
ADNRIA. UNQTE. WE HAVE BEEN GIVEN SECOND ASSURANCE FROM MARTRANS
ON 2/9/77 THAT TITLE I CARGOES WILL CONTINUE TO RECEIVE
PRIORITY TREATMENT IN PORTS.

9. IN RESPONSE TO PARA 2.A OF REF A, WE POINTED OUT IN
PARA 4 REF C THAT WASHINGTON AGENCIES MUST CONSIDER FACTORS
NOT NECESSARILY KNOWN HERE. MISSION HAD BEEN GIVEN NO INDICA-
TION OF MAXIMUM QUANTITY FEEDGRAINS THAT COULD BE MADE
AVAILABLE TO GOE UNDER TITLE I.

10. AS SUGGESTED PARA 2C OF REF A, GOE HAS INDICATED DESIRE

TO INCLUDE TOBACCO IN ENLARGED CIP.

11. WE STRONGLY RECOMMEND AGAINST PROGRAMMING ANY PORTION OF
400,000 TONS WHEAT TO BE ADDED IN AMENDMENT AS FLOUR. GOE
HAS SPECIFICALLY ASKED THAT ENTURE QUANTITY BE IN FORM OF WHEAT.
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MOREOVER, MISSION IS CURRENTLY TRYING TO ASSESS PUBLIC
AWARENESS IN EGYPT OF USG ASSISTANCE. SEVERAL MISSION
OFFICERS HAVE PICKED UP COMMENTS FROM EGYPTIAN CONTACTS TO
EFFECT THAT MUCH USG AID BENEFITS PRINCIPALLY THE UPPER
CLASSES WITH ONLY MARGINAL EFFECT ON POOR MASSES. ADDITIONAL
FLOUR UNDER TITLE I, WHICH IS LARGEY USED FOR EUROPEAN
BREAD, PASTRIES, AND IN TOURIST TRADE, ONLY LENDS CREDENCE
TO THAT VIEW. GOE ASSURES US THEY CAN HANDLE WHEAT IMPORTS
SCHEDULED ARRIVE IN NEAR FUTURE AND 96 NEW VACUATORS FINANCED
BY USAID WILL BE COMING ON STREAT IN APPROX ONE MONTH.
THESE SHOULD SUBSTANTIALLY IMPROVE UNLOADING CAPABILITY
OF EGYPTIAN PORTS FOR WHEAT AND BULK GRAINS.
EILTS

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Message Attributes

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Channel Indicators: n/a
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Concepts: PL 480 TITLE 1, AMENDMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CAIRO02503
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770048-0605
Format: TEL
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770255/aaaabwrrw.tel
Line Count: 194
Litigation Code IDs:
Litigation Codes:
Litigation History: Hold (001 Tobacco) added on 4/16/2009 3:39:01 PM by WASHDCMcGoldRJ, Hold (001 Tobacco) removed on 4/16/2009 3:45:08 PM by WASHDCMcGoldRJ (Litigation Hold Lifted)
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